Office Memorandum. UNITED STATES GOVERNMENT

: Chief, Planning and Review Staff

DATE: 22 September 1954

THRU : Chief, Analysis Division FROM : Chief, Far Eastern Branch

SUBJECT: Comments on Current Support Memorandum 'Impact of Flood Conditions

on Certain Sectors of the Chinese Economy'.

NSA Declassification/Release Instructions on File

- In general, A/F is in agreement with the substance of this paper; however, we believe that it could be considerably improved by the following inclusions, or changes:
- Rewriting of the paper so as to form a uniform whole, rather than spliting it into sections by Branch responsibilities.
- Addition of M/AG material concerning estimated crop failures and effect therefrom on the national agricultural program. Although crop loss was mentioned in the trade section, it is believed that much more should be stated on the subject. We realize that this material is outside of the responsibility of the issuing division, but as the paper is possibly to be disseminated as an IM or PM, it is believed that it should contain all facets of the subject.
- The international trade section should state, and put into more quantitative terms, the amounts of rice and other agricultural products which the Chinese are required to export, in relation to her total production and loss due to the floods; the Ceylon rubber barter requirements should be stated.
- Possibly the largest and most important effect of the flood on the internal Chinese economy, is the great disruption of trade and the distribution system in the flood areas, especially in the Yangtze valley.

This subject was not mentioned in the

memorandum and its inclusion, with, we believe considerable amlification, should be required before the paper is published.

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